

# **EXHIBIT R**

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-K

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2015

☐ Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-50058

### PRA Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

75-3078675

(I.R.S. Employer Identification No.)

120 Corporate Boulevard, Norfolk, Virginia

(Address of principal executive offices)

23502

(Zip Code)

(888) 772-7326

(Registrant's Telephone No., including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.01 par value per share

(Title of Class)

NASDAQ Global Select Market

(Name of Exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
YES ☒ NO ☐

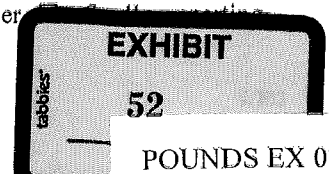
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act.  
YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐



## PART I

### Item 1. Business.

#### General

Headquartered in Norfolk, Virginia and incorporated in Delaware, we are a leading company in the acquisition and collection of nonperforming loans in the Americas and Europe. Our business focuses upon the acquisition, collection, and processing of both unpaid and normal-course accounts receivable originally owed to credit grantors, government entities, and others. Our primary business is the purchase, collection and management of portfolios of nonperforming consumer loans. The accounts we acquire are the unpaid obligations of individuals owed to credit grantors, which primarily include banks and other types of consumer, retail, and auto finance companies. We also provide the following fee-based services:

- Contingent collections of nonperforming loans in Europe;
- Vehicle location, skip tracing and collateral recovery for auto lenders, government entities and law enforcement;
- Revenue administration, audit and debt discovery services for local government entities; and
- Class action claims recovery services and related payment processing.

We have one reportable segment, accounts receivable management, based on similarities among the operating units including the nature of the products and services, the nature of the production processes, the types or classes of customers for our products and services, the methods used to distribute our products and services, and the nature of the regulatory environment.

On August 3, 2015 we acquired 55% of the equity interest in RCB Investimentos S.A. ("RCB"). The remaining 45% of the equity interest in RCB is owned by the executive team and previous owners of RCB. RCB was founded in 2007 and is a leading master servicing platform for nonperforming loans in Brazil. RCB specializes in structuring, investing and operating receivable and credit-related assets. The founders of RCB each entered into long-term employment agreements with us and will continue to manage RCB's local business in Brazil. Our investment for the 55% ownership of RCB was paid for with approximately \$55.2 million in cash which was borrowed under our existing domestic revolving credit facility. The majority of cash paid to acquire the equity interest in RCB is expected to be used in the ordinary course of business. As part of the investment and call option agreements, we have the right to purchase the remaining 45% of RCB at certain multiples of earnings before interest, taxes, depreciation and amortization ("EBITDA") beginning August 3, 2019 and lasting for two years.

The scale and scope of our international business expanded substantially during 2014 primarily due to the acquisition of Aktiv Kapital ("Aktiv"), a Norway-based leader in acquiring and servicing nonperforming consumer debt throughout Europe and Canada. With the Aktiv acquisition, we became one of the world's largest acquirers of nonperforming consumer loans from banks and other creditors. The Aktiv acquisition provided us entry into several new markets, resulting in additional geographic diversity in portfolio purchasing and collection. Aktiv's executive team and the more than 400 Aktiv employees joined our workforce upon the closing of the transaction.

We believe that the strengths of our business are our analytical approach to portfolio pricing and servicing, our processing systems and procedures, our relationships with many of the largest consumer lenders, and our extensive compliance systems and culture. The success of our business depends on our ability to purchase nonperforming loans at appropriate valuations and to collect on those receivables in a compliant, effective and efficient manner.

Our Core business specializes in receivables that have been charged-off by the credit grantor. Because the credit grantor and/or other debt servicing companies have unsuccessfully attempted to fully collect these receivables, we are able to purchase them at a substantial discount to their face value.

Our Insolvency business consists primarily of purchasing and collecting accounts that are involved in a Chapter 13 bankruptcy proceeding from credit grantors based in the United States. During 2014, the geographic footprint of the Insolvency business expanded into Canada and Europe.

We were initially formed as Portfolio Recovery Associates, L.L.C., a Delaware limited liability company, on March 20, 1996. In connection with our 2002 initial public offering, all of the membership units of Portfolio Recovery Associates, L.L.C. were exchanged, simultaneously with the effectiveness of our registration statement, for a single class of Portfolio Recovery Associates, Inc. common stock, a new Delaware corporation formed on August 7, 2002. Accordingly, the members of Portfolio Recovery Associates, L.L.C. became the common stockholders of Portfolio Recovery Associates, Inc., which became the parent company of Portfolio Recovery Associates, L.L.C. and its subsidiaries. On October 23, 2014, we changed our name to PRA Group, Inc.

### Portfolio Purchases by Stratifications (Domestic Only)

The following table categorizes our life-to-date domestic portfolio purchases as of December 31, 2015 into major asset type, delinquency category, and geographic location.

#### Domestic Portfolio Purchases by Stratification, life-to-date

Amounts in thousands

Stratifications	Number of Accounts	%	Face Value <sup>(1)</sup>	%	Original Purchase Price <sup>(2)</sup>	%
<b>Major Asset Type</b>						
Major Credit Cards	21,468	53%	\$ 57,442,103	66%	\$ 2,569,390	60%
Consumer Finance	6,717	16	8,743,105	10	161,500	4
Private Label Credit Cards	11,883	29	15,648,519	18	1,421,946	33
Auto Deficiency	681	2	4,854,055	6	164,472	3
Total	40,749	100%	86,687,782	100%	4,317,308	100%
<b>Delinquency Category</b>						
Fresh	4,456	11%	9,750,541	11%	1,171,173	27%
Primary	5,331	13	10,103,052	12	638,657	15
Secondary	9,327	23	12,381,615	14	640,610	15
Tertiary	4,871	12	6,797,760	8	136,788	3
Insolvency	5,895	14	23,983,733	28	1,548,741	36
Other	10,869	27	23,671,081	27	181,339	4
Total	40,749	100%	86,687,782	100%	4,317,308	100%
<b>Geographic Location</b>						
California	4,418	11%	11,383,515	13%	536,579	12%
Texas	5,456	13	9,268,692	11	380,842	9
Florida	3,265	8	8,082,552	9	378,331	9
New York	2,340	6	5,036,132	6	225,290	5
Ohio	1,846	5	3,256,214	4	176,130	4
Pennsylvania	1,500	4	3,188,738	4	160,055	4
Illinois	1,544	4	3,125,019	4	170,225	4
North Carolina	1,488	4	3,092,561	4	153,530	4
Georgia	1,353	3	2,880,124	3	168,398	4
Other <sup>(3)</sup>	17,539	42	37,374,235	42	1,967,928	45
Total	40,749	100%	86,687,782	100%	4,317,308	100%

(1) Represents the original face amount purchased from sellers and has not been reduced by any adjustments, including payments and buybacks.

(2) Represents the cash paid to sellers to acquire portfolios of nonperforming loans and has not been reduced by any adjustments, including payments and buybacks.

(3) Each state included in "Other" represents less than 2% of the face value of total life-to-date domestic purchases.

### Investments in Securitized Assets

We hold a majority interest in a closed-end Polish investment fund. The fund was formed in December 2014 to acquire portfolios of nonperforming loans in Poland. Our investment consists of a 100% interest in the Series B certificates and a 20% interest in the Series C certificates. Each certificate comes with one vote and is governed by a co-investment agreement. Series C certificates, which share equally in the residual profit of the fund, are accounted for as debt securities classified as available-for-sale and are stated at fair value. Income is recognized using the effective yield method.

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For the fiscal year ended December 31, 2014

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(Title of Class)

**NASDAQ Global Select Market**

(Name of Exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES ☒ NO ☐

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The following table summarizes our life-to-date domestic portfolio purchases as of December 31, 2014, by geographic location (amounts in thousands):

Geographic Distribution	No. of Accounts	%	Original Purchase				
			Face Value (1)		Price (2)		
				%		%	
California	4,080	11%	\$ 10,902,866	13%	\$ 479,784	13%	
Texas	5,123	14	8,868,579	11	333,257	9	
Florida	3,013	8	7,752,296	9	338,383	9	
New York	2,154	6	4,827,234	6	199,041	5	
Ohio	1,730	5	3,102,768	4	156,666	4	
Pennsylvania	1,367	4	3,013,841	4	138,318	4	
Illinois	1,427	4	2,971,145	4	150,859	4	
North Carolina	1,363	4	2,922,169	4	134,731	4	
Georgia	1,245	3	2,749,288	3	151,162	4	
Other <sup>(3)</sup>	16,107	41	35,491,403	42	1,738,812	44	
Total:	37,609	100%	\$ 82,601,589	100%	\$ 3,821,013	100%	

- (1) "Face Value" represents the original face amount purchased from sellers and has not been reduced by any adjustments, including payments and buybacks.
- (2) "Original Purchase Price" represents the cash paid to sellers to acquire portfolios of finance receivables and has not been reduced by any adjustments, including payments and buybacks.
- (3) Each state included in "Other" represents less than 2% of the face value of total life-to-date domestic purchases.

#### Portfolio Purchasing

The following table displays our quarterly portfolio purchases for the periods indicated.

Portfolio Purchase Source (amounts in thousands)	Q4-2014	Q3-2014	Q2-2014	Q1-2014	Q4-2013	Q3-2013	Q2-2013	Q1-2013
North America-Core	\$ 119,714	\$ 118,018	\$ 91,904	\$ 79,085	\$ 65,759	\$ 89,044	\$ 113,314	\$ 126,951
North America-Insolvency	24,949	38,535	16,187	72,003	31,987	41,794	82,273	86,595
Europe-Core <sup>(1)</sup>	123,194	734,803	1,121	1,626	1,763	11,037	4,881	1,387
Europe-Insolvency	11,625	—	—	—	—	—	—	—
Total Portfolio Purchasing	\$ 279,482	\$ 891,356	\$ 109,212	\$ 152,714	\$ 99,509	\$ 141,875	\$ 200,468	\$ 214,933

- (1) Excludes the December 2014 investment of \$34.7 million in a securitized fund in Poland.

#### Estimated Remaining Collections

The following chart shows our ERC by geographical region at December 31, 2014 (amounts in millions).

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

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For the fiscal year ended December 31, 2013

- ☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-50058

**Portfolio Recovery Associates, Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

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**Common Stock, \$0.01 par value per share**

(Title of Class)

**NASDAQ Global Select Market**

(Name of Exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. YES

☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

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We also review the geographic distribution of accounts within a portfolio because we have found that state specific laws and rules can have an effect on the collectability of accounts located there. In addition, economic factors and bankruptcy trends vary regionally and are factored into our purchase price equation.

The following table summarizes our life to date domestic portfolio purchases as of December 31, 2013, by geographic location (amounts in thousands):

Geographic Distribution	No. of Accounts	%	Original Purchase			
			Face Value (1)		Price (2)	
				%		%
California	3,687	11%	\$ 10,321,143	13%	\$ 419,670	13%
Texas	4,791	14	8,425,708	11	280,132	8
Florida	2,730	8	7,356,289	9	295,328	9
New York	1,925	6	4,519,270	6	171,252	5
Ohio	1,610	5	2,928,792	4	137,296	4
Pennsylvania	1,227	4	2,833,775	4	118,307	4
Illinois	1,295	4	2,778,831	4	128,867	4
North Carolina	1,225	4	2,716,528	3	112,849	3
Georgia	1,118	3	2,559,975	3	125,284	4
Michigan	916	3	2,135,785	3	99,939	3
New Jersey	797	2	2,105,793	3	93,115	3
Arizona	623	2	1,689,429	2	70,545	2
Virginia	909	3	1,646,631	2	76,324	2
Tennessee	734	2	1,611,983	2	75,573	2
Massachusetts	584	2	1,428,007	2	59,027	2
Indiana	625	2	1,396,328	2	71,851	2
Other <sup>(3)</sup>	9,444	25	21,378,689	27	961,484	30
Total:	34,240	100%	\$ 77,832,956	100%	\$ 3,296,843	100%

- (1) "Face Value" represents the original face amount purchased from sellers and has not been reduced by any adjustments, including payments and buybacks.
- (2) "Original Purchase Price" represents the cash paid to sellers to acquire portfolios of defaulted consumer receivables and has not been reduced by any adjustments, including payments and buybacks.
- (3) Each state included in "Other" represents less than 2% of the face value of total life-to-date domestic purchases.

### Purchasing Process

We acquire portfolios from debt owners through auctions and negotiated sales. In an auction process, the seller will assemble a portfolio of receivables and will either broadly offer the portfolio to the market or seek purchase prices from specifically invited potential purchasers. In a privately negotiated sale process, the debt owner will contact known purchasers directly, take bids and negotiate the terms of sale. We also acquire accounts in forward flow contracts. Under a forward flow contract we agree to purchase defaulted consumer receivables from a debt owner on a periodic basis, at a set percentage of face value of the receivables over a specified time period, generally from three to twelve months. These agreements often contain a provision requiring that the attributes and selection criteria of the receivables to be sold will not significantly change each month. If this provision is not adhered to, the contract will typically allow for the early termination of the forward flow contract by the purchaser or other appropriate remedies as mutually agreed upon. Forward flow contracts provide receivable owners with a consistent source of value for defaulted accounts, and provide the debt buyer with a steady and reliable source of consumer receivables for its collection operation.

In a typical Core portfolio sale transaction, after signing a non-disclosure agreement, a debt owner distributes a computer data file containing ten to fifteen essential data fields on each consumer account in the portfolio offered for sale. Such fields typically include but are not limited to the customer's name, address, outstanding balance, date of charge-off, date of last payment and the date the account was opened. Information that is not typically provided includes the original underwriting documentation, charge and payment history prior to charge-off, and collection notations. We perform our initial due diligence on the portfolio by electronically cross-checking the data fields provided through secured delivery against the accounts in our owned portfolios and other databases. We compile a variety of portfolio level reports examining all available data.



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**For the fiscal year ended December 31, 2012**

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**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 000-50058**

**Portfolio Recovery Associates, Inc.**

*(Exact name of registrant as specified in its charter)*

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**75-3078675**

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YES ☒ NO ☐

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Account Type	No. of Accounts	%	Life to Date Purchased		Original Purchase	
			Face Value (1)	%	Price (2)	%
Fresh	2,370	8%	\$ 6,072,477	8%	\$ 589,579	22%
Primary	4,595	15	8,420,292	12	433,013	17
Secondary	5,456	17	8,323,896	12	326,288	12
Tertiary	4,044	13	5,434,509	8	76,378	3
Bankruptcy Trustees	4,365	14	19,682,872	28	1,095,485	41
Other	10,108	33	22,380,257	32	138,384	5
Total:	30,938	100%	\$ 70,314,303	100%	\$ 2,659,127	100%

(1) "Life to Date Purchased Face Value" represents the original face amount purchased from sellers and has not been reduced by any adjustments, including payments and buybacks.

(2) "Original Purchase Price" represents the cash paid to sellers to acquire portfolios of defaulted consumer receivables.

We also review the geographic distribution of accounts within a portfolio because we have found that state specific laws and rules can have an effect on the collectability of accounts located there. In addition, economic factors and bankruptcy trends vary regionally and are factored into our purchase price equation.

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Geographic Distribution	No. of Accounts	%	Life to Date Purchased		Original Purchase	
			Face Value (1)	%	Price (2)	%
California	3,260	11%	\$ 9,254,352	13%	\$ 344,442	13%
Texas	4,485	14	7,828,181	11	232,081	9
Florida	2,440	8	6,676,604	9	242,625	9
New York	1,747	6	4,151,513	6	140,377	5
Ohio	1,494	5	2,635,188	4	112,059	4
Pennsylvania	1,101	4	2,570,572	4	95,785	4
North Carolina	1,103	4	2,465,985	4	92,306	3
Illinois	1,155	4	2,457,601	3	102,607	4
Georgia	1,000	3	2,339,521	3	104,756	4
New Jersey	706	2	1,894,274	3	75,174	3
Michigan	818	3	1,891,966	3	81,156	3
Arizona	548	2	1,507,856	2	56,595	2
Virginia	843	3	1,502,273	2	62,731	2
Tennessee	657	2	1,465,471	2	62,478	2
Massachusetts	525	2	1,290,669	2	47,549	2
Indiana	557	2	1,244,574	2	58,244	2
Other <sup>(3)</sup>	8,499	25	19,137,703	27	748,162	29
Total:	30,938	100%	\$ 70,314,303	100%	\$ 2,659,127	100%

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
 YES ☐ NO ☒

The aggregate market value of the common stock held by non-affiliates of the registrant as of June 30, 2011 was \$1,420,920,062 based on the 84.79 closing price as reported on the NASDAQ Global Select Market.

The number of shares of the registrant's Common Stock outstanding as of February 17, 2012 was 17,146,589.

**Table of Contents**

The following table summarizes our life to date portfolio purchases as of December 31, 2011, by geographic location (amounts in thousands):

Geographic Distribution	No. of Accounts	%	Life to Date Purchased Face Value (1)	%	Original Purchase Price (2)	%
California	2,947	11 %	\$ 8,549,724	13 %	\$ 276,219	13 %
Texas	4,193	15	7,329,316	11	191,982	9
Florida	2,213	8	6,170,741	10	195,335	9
New York	1,609	6	3,897,746	6	117,629	6
Pennsylvania	1,013	4	2,403,074	4	78,869	4
Ohio	1,214	4	2,350,629	4	89,294	4
Illinois	1,063	4	2,247,496	3	81,255	4
North Carolina	982	3	2,200,497	3	72,148	3
Georgia	909	3	2,148,300	3	83,336	4
New Jersey	647	2	1,776,863	3	61,217	3
Michigan	738	3	1,735,571	3	65,255	3
Arizona	491	2	1,379,268	2	44,830	2
Virginia	742	3	1,382,129	2	50,336	2
Tennessee	596	2	1,348,878	2	50,415	2
Massachusetts	484	2	1,209,030	2	38,966	2
Indiana	453	2	1,122,944	2	46,156	2
Other (3)	7,764	26	17,375,875	27	593,460	28
<b>Total:</b>	<b>28,058</b>	<b>100 %</b>	<b>\$ 64,628,081</b>	<b>100 %</b>	<b>\$ 2,136,702</b>	<b>100 %</b>

- (1) "Life to Date Purchased Face Value" represents the original face amount purchased from sellers and has not been reduced by any adjustments, including payments and buybacks and reflects all accounts purchased regardless of whether or not we currently have the ability to collect on the account.
- (2) "Original Purchase Price" represents the cash paid to sellers to acquire portfolios of defaulted consumer receivables.
- (3) Each state included in "Other" represents less than 2% of the face value of total defaulted consumer receivables.

**Purchasing Process**

We acquire portfolios from debt owners through auctions and negotiated sales. In an auction process, the seller will assemble a portfolio of receivables and will either broadly offer the portfolio to the market or seek purchase prices from specifically invited potential purchasers. In a privately negotiated sale process, the debt owner will contact known purchasers directly, take bids and negotiate the terms of sale. We also acquire accounts in forward flow contracts. Under a forward flow contract we agree to purchase defaulted consumer receivables from a debt owner on a periodic basis, at a set percentage of face value of the receivables over a specified time period, generally from three to twelve months. These agreements often contain a provision requiring that the attributes and selection criteria of the receivables to be sold will not significantly change each month. If this provision is not adhered to, the contract will typically allow for the early termination of the forward flow contract by the purchaser or other appropriate remedies as mutually agreed upon. Forward flow contracts are a consistent source of defaulted consumer receivables for accounts receivables management providers and provide the debt owner with a reliable source of revenue and a professional resolution of defaulted consumer receivables.

In a typical Core portfolio sale transaction, a debt owner initially distributes a computer data file containing ten to fifteen essential data fields on each receivables account in the portfolio offered for sale. Such fields typically include but are not limited to the customer's name, address, outstanding balance, date of charge-off, date of last payment and the date the account was opened. Information that is not typically provided includes the original underwriting documentation, charge and payment history prior to charge-off, and collection notations. We perform our initial due diligence on the portfolio by electronically cross-checking the data fields on the computer disk or data tape against the accounts in our owned portfolios and other databases. We compile a variety of portfolio level reports examining all demographic data available.

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2010**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File Number: 000-50058

**Portfolio Recovery Associates, Inc.**

*(Exact name of registrant as specified in its charter)*

Delaware

75-3078675

*(State or other jurisdiction of  
incorporation or organization)*

*(I.R.S. Employer  
Identification No.)*

120 Corporate Boulevard, Norfolk, Virginia

23502

*(Address of principal executive offices)*

*(Zip Code)*

Registrant's telephone number, including area code: (888) 772-7326

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.01 par value per share  
(Title of Class)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒      Accelerated filer ☐      Non-accelerated filer ☐      Smaller reporting company ☐  
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES ☐ NO ☒

## Table of Contents

- (1) The "Life to Date Purchased Face Value" represents the original face amount purchased from sellers and has not been reduced by any adjustments including payments and buybacks.
- (2) The "Original Purchase Price" represents the cash paid to sellers to acquire portfolios of defaulted consumer receivables.

We also review the geographic distribution of accounts within a portfolio because we have found that state specific laws and rules can have an effect on the collectability of accounts located there. In addition, economic factors and bankruptcy trends vary regionally and are factored into our maximum purchase price equation.

The following chart sets forth our overall life to date portfolio of defaulted consumer receivables geographically as of December 31, 2010 (amounts in thousands):

Geographic Distribution	No. of Accounts	%	Life to Date Purchased Face Value(1)	%	Original Purchase Price(2)	%
California	2,507	10%	\$ 7,046,011	13%	\$ 210,721	12%
Texas	3,820	16%	6,331,198	12%	159,988	9%
Florida	1,913	8%	5,268,681	10%	155,024	9%
New York	1,428	6%	3,368,356	6%	98,474	6%
Pennsylvania	846	3%	2,059,659	4%	66,681	4%
North Carolina	867	4%	1,944,480	4%	59,122	3%
Illinois	950	4%	1,920,035	4%	65,789	4%
Ohio	843	3%	1,902,952	3%	71,749	4%
Georgia	769	3%	1,791,183	3%	68,417	4%
New Jersey	564	2%	1,548,719	3%	49,798	3%
Michigan	644	3%	1,477,883	3%	53,281	3%
Virginia	664	3%	1,177,839	2%	41,297	2%
Tennessee	512	2%	1,144,523	2%	42,836	2%
Arizona	413	2%	1,134,406	2%	33,946	2%
Massachusetts	429	2%	1,045,218	2%	32,289	2%
South Carolina	423	2%	974,174	2%	28,451	2%
Other (3)	6,704	27%	14,700,408	25%	490,431	29%
<b>Total</b>	<b>24,296</b>	<b>100%</b>	<b>\$ 54,835,725</b>	<b>100%</b>	<b>\$ 1,728,294</b>	<b>100%</b>

- (1) The "Life to Date Purchased Face Value" represents the original face amount purchased from sellers and has not been reduced by any adjustments including payments and buybacks.
- (2) The "Original Purchase Price" represents the cash paid to sellers to acquire portfolios of defaulted consumer receivables.
- (3) Each state included in "Other" represents less than 2% of the face value of total defaulted consumer receivables.

## Purchasing Process

We acquire portfolios from debt owners through auctions and negotiated sales. In an auction process, the seller will assemble a portfolio of receivables and will either broadly offer the portfolio to the market or seek purchase prices from specifically invited potential purchasers. In a privately negotiated sale process, the debt owner will contact known purchasers directly, take bids and negotiate the terms of sale. We also acquire accounts in forward flow contracts. Under a forward flow contract we agree to purchase defaulted consumer receivables from a debt owner on a periodic basis, at a set percentage of face value of the receivables over a specified time period, generally from three to twelve months. These agreements typically have a provision requiring that the attributes of the receivables to be sold will not significantly change each month and that the debt owner efforts to collect these receivables will not change. If this provision is not adhered to, the contract will typically allow for the early termination of the forward flow contract by the purchaser or call for a price renegotiation. Forward flow contracts are a consistent source of defaulted consumer receivables for accounts receivables management providers and provide the debt owner with a reliable source of revenue and a professional resolution of defaulted consumer receivables.

In a typical sale transaction, a debt owner initially distributes a computer data file containing ten to fifteen essential data fields on each receivables account in the portfolio offered for sale. Such fields typically include but are not limited to the customer's name, address, outstanding balance, date of charge-off, date of last payment and the date the account was opened. We perform our initial due diligence on the portfolio by electronically cross-checking the data fields on the computer disk or data tape against the accounts in our owned portfolios and

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2009**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File Number: 000-50058

**Portfolio Recovery Associates, Inc.**

*(Exact name of registrant as specified in its charter)*

Delaware

*(State or other jurisdiction of  
incorporation or organization)*

75-3078675

*(I.R.S. Employer  
Identification No.)*

120 Corporate Boulevard, Norfolk, Virginia

*(Address of principal executive offices)*

23502

*(Zip Code)*

Registrant's telephone number, including area code: (888) 772-7326

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.01 par value per share  
(Title of Class)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☐ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K. \_\_\_\_\_

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

## Table of Contents

servicer and receive a lower purchase price. Secondary and tertiary accounts are typically more than 660 days past due and charged-off, have been placed with two or three contingent fee servicers and receive even lower purchase prices. We also purchase accounts previously worked by four or more agencies and these are typically 1,260 days or more past due and receive an even lower price. In addition, we purchase accounts that are included in consumer bankruptcies. These bankrupt accounts are typically filed under Chapter 13 of the U.S. Bankruptcy Code and have an associated payment plan that can range from 3 to 5 years. We purchase bankrupt accounts in both forward flow and spot transactions and, consequently, they can be at any age in the bankruptcy plan life cycle.

As shown in the following chart, as of December 31, 2009, we purchase accounts at any point in the delinquency cycle (amounts in thousands):

Account Type	No. of Accounts	%	Life to Date Purchased Face Value of Defaulted Consumer Receivables(1)	%
Fresh	1,079	4.9%	\$ 3,525,120	7.3%
Primary	3,193	14.5%	5,479,669	11.4%
Secondary	3,503	15.9%	5,595,727	11.7%
Tertiary	3,743	17.0%	4,793,387	10.0%
BK Trustees	2,882	13.1%	12,305,661	25.6%
Other	7,651	34.6%	16,331,209	34.0%
<b>Total:</b>	<b>22,051</b>	<b>100.0%</b>	<b>\$48,030,773</b>	<b>100.0%</b>

(1) The "Life to Date Purchased Face Value of Defaulted Consumer Receivables" represents the original face amount purchased from sellers and has not been decremented by any adjustments including payments and buybacks.

We also review the geographic distribution of accounts within a portfolio because we have found that certain states have more debtor-friendly laws than others and, therefore, are less desirable from a collectibility perspective. In addition, economic factors and bankruptcy trends vary regionally and are factored into our maximum purchase price equation.

The following chart sets forth our overall life to date portfolio of defaulted consumer receivables geographically as of December 31, 2009 (amounts in thousands):

Geographic Distribution	No. of Accounts	%	Life to Date Purchased Face Value of Defaulted Consumer Receivables(1)	%	Original Purchase Price of Defaulted Consumer Receivables(2)	%
California	2,240	10%	\$ 6,087,281	13%	\$ 156,978	12%
Texas	3,624	16%	5,789,260	12%	133,468	10%
Florida	1,717	8%	4,589,347	10%	117,877	9%
New York	1,316	6%	3,054,556	6%	81,510	6%
Pennsylvania	763	3%	1,850,103	4%	54,766	4%
North Carolina	770	3%	1,686,036	4%	46,677	3%
Illinois	872	4%	1,654,088	3%	52,029	4%
Ohio	752	3%	1,625,847	3%	56,006	4%
Georgia	682	3%	1,519,063	3%	53,101	4%
New Jersey	510	2%	1,389,934	3%	39,356	3%
Michigan	582	3%	1,271,094	3%	42,192	3%
Virginia	558	3%	1,002,532	2%	31,926	2%
Tennessee	462	2%	990,778	2%	34,381	3%
Arizona	361	2%	952,172	2%	24,765	2%
Massachusetts	395	2%	942,590	2%	26,105	2%
South Carolina	392	2%	891,286	2%	23,717	2%
Other(3)	6,055	28%	12,734,806	26%	385,997	27%
<b>Total:</b>	<b>22,051</b>	<b>100%</b>	<b>\$48,030,773</b>	<b>100%</b>	<b>\$1,360,851</b>	<b>100%</b>

(1) The "Life to Date Purchased Face Value of Defaulted Consumer Receivables" represents the original face amount purchased from sellers and has not been decremented by any adjustments including payments and buybacks.



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2008

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-50058

**Portfolio Recovery Associates, Inc.**

*(Exact name of registrant as specified in its charter)*

Delaware

*(State or other jurisdiction of  
incorporation or organization)*

75-3078675

*(I.R.S. Employer  
Identification No.)*

120 Corporate Boulevard, Norfolk, Virginia

*(Address of principal executive offices)*

23502

*(Zip Code)*

Registrant's telephone number, including area code: (888) 772-7326

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.01 par value per share

*(Title of Class)*

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act.

YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

*(Do not check if a smaller reporting company)*

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

13 of the U.S. Bankruptcy Code and have an associated payment plan that can range from 3 to 5 years. We purchase bankrupt accounts in both forward flow and spot transactions and consequently, they can be at any age in the bankruptcy plan life cycle.

As shown in the following chart, as of December 31, 2008, we purchase accounts at any point in the delinquency cycle (amounts in thousands):

Account Type	No. of Accounts	%	Life to Date Purchased Face Value of Defaulted Consumer Receivables(1)	%
Fresh	783	4.1%	\$ 2,897,585	7.3%
Primary	2,396	12.6%	4,086,581	10.2%
Secondary	3,272	17.2%	5,039,470	12.6%
Tertiary	3,672	19.3%	4,633,690	11.6%
BK Trustees	2,053	10.7%	8,631,036	21.6%
Other	6,898	36.1%	14,632,716	36.7%
<b>Total:</b>	<b>19,074</b>	<b>100.0%</b>	<b>\$39,921,078</b>	<b>100.0%</b>

(1) The "Life to Date Purchased Face Value of Defaulted Consumer Receivables" represents the original face amount purchased from sellers and has not been decremented by any adjustments including payments and buybacks.

We also review the geographic distribution of accounts within a portfolio because we have found that certain states have more debtor-friendly laws than others and, therefore, are less desirable from a collectibility perspective. In addition, economic factors and bankruptcy trends vary regionally and are factored into our maximum purchase price equation.

The following chart sets forth our overall life to date portfolio of defaulted consumer receivables geographically as of December 31, 2008 (amounts in thousands):

Geographic Distribution	No. of Accounts	%	Life to Date Purchased Face Value of Defaulted Consumer Receivables (1)	%	Original Purchase Price of Defaulted Consumer Receivables (2)	%
Texas	3,321	17%	\$ 5,042,635	13%	\$ 113,280	11%
California	1,838	10%	4,745,725	12%	110,357	10%
Florida	1,446	8%	3,834,238	10%	90,289	8%
New York	1,144	6%	2,686,008	7%	69,125	6%
Pennsylvania	658	3%	1,591,432	4%	46,224	4%
North Carolina	660	3%	1,399,197	4%	37,896	4%
Illinois	763	4%	1,354,505	3%	41,385	4%
Ohio	639	3%	1,331,921	3%	44,583	4%
Georgia	576	3%	1,254,007	3%	41,698	4%
New Jersey	445	2%	1,213,562	3%	31,934	3%
Michigan	487	3%	1,005,867	3%	33,127	3%
Virginia	504	3%	835,264	2%	24,947	2%
Massachusetts	352	2%	824,884	2%	21,500	2%
Tennessee	387	2%	821,304	2%	27,617	3%
South Carolina	338	2%	755,429	2%	20,246	2%
Arizona	291	2%	736,685	2%	17,268	2%
Other (3)	5,225	27%	10,488,415	25%	300,487	28%
<b>Total:</b>	<b>19,074</b>	<b>100%</b>	<b>\$39,921,078</b>	<b>100%</b>	<b>\$1,071,963</b>	<b>100%</b>

(1) The "Life to Date Purchased Face Value of Defaulted Consumer Receivables" represents the original face amount purchased from sellers and has not been decremented by any adjustments including payments and buybacks.

(2) The "Original Purchase Price of Defaulted Consumer Receivables" represents the cash paid to sellers to acquire portfolios of defaulted consumer receivables.

(3) Each state included in "Other" represents less than 2% of the face value of total defaulted consumer receivables.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2007**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File Number: 000-50058

**Portfolio Recovery Associates, Inc.**

*(Exact name of registrant as specified in its charter)*

Delaware

*(State or other jurisdiction of  
incorporation or organization)*

75-3078675

*(I.R.S. Employer  
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120 Corporate Boulevard, Norfolk, Virginia

*(Address of principal executive offices)*

23502

*(Zip Code)*

Registrant's telephone number, including area code: (888) 772-7326

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.01 par value per share

*(Title of Class)*

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

*(Do not check if a smaller reporting company)*

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the common stock held by non-affiliates of the registrant as of June 30, 2007 was \$939,454,107 based on the \$60.02 closing price as reported on the NASDAQ Global Stock Market.

The number of shares of the registrant's Common Stock outstanding as of February 14, 2008 was 15,163,056.

POUNDS EX 0745

As shown in the following chart, as of December 31, 2007, we purchase or service accounts at any point in the delinquency cycle.

Account Type	No. of Accounts	%	Life to Date Purchased Face Value of Defaulted Consumer Receivables(1)	%
Fresh	437,054	2.6%	\$ 1,837,133,694	5.2%
Primary	1,751,591	10.5%	3,411,142,798	9.7%
Secondary	2,606,072	15.6%	4,496,690,016	12.7%
Tertiary	3,402,180	20.3%	4,297,282,044	12.2%
BK Trustees	1,819,365	10.9%	7,510,751,231	21.3%
Other	6,710,585	40.1%	13,779,844,921	38.9%
<b>Total:</b>	<b>16,726,847</b>	<b>100.0%</b>	<b>\$ 35,332,844,704</b>	<b>100.0%</b>

- (1) The "Life to Date Purchased Face Value of Defaulted Consumer Receivables" represents the original face amount purchased from sellers and has not been decremented by any adjustments including payments and buybacks.

We also review the geographic distribution of accounts within a portfolio because we have found that certain states have more debtor-friendly laws than others and, therefore, are less desirable from a collectibility perspective. In addition, economic factors and bankruptcy trends vary regionally and are factored into our maximum purchase price equation.

The following chart sets forth our overall life to date portfolio of defaulted consumer receivables geographically as of December 31, 2007:

Geographic Distribution	No. of Accounts	%	Life to Date Purchased Face Value of Defaulted Consumer Receivables (1)	%	Original Purchase Price of Defaulted Consumer Receivables(2)	%
Texas	2,985,339	18%	\$ 4,572,650,090	13%	\$ 91,113,655	12%
California	1,670,186	10%	4,287,048,493	12%	79,953,070	10%
Florida	1,291,026	8%	3,443,924,244	10%	67,166,072	8%
New York	975,063	6%	2,394,086,021	7%	53,037,698	7%
Pennsylvania	584,555	3%	1,409,982,169	4%	34,734,815	4%
Illinois	645,103	4%	1,181,261,995	3%	29,909,745	4%
North Carolina	563,082	3%	1,213,756,630	3%	28,573,672	4%
New Jersey	389,348	2%	1,091,712,754	3%	23,826,008	3%
Ohio	523,074	3%	1,095,906,170	3%	29,930,960	4%
Georgia	497,371	3%	1,068,311,899	3%	29,803,024	4%
Michigan	438,014	3%	868,856,012	2%	23,644,643	3%
Massachusetts	319,863	2%	738,152,928	2%	15,678,219	2%
Arizona	257,320	2%	656,116,498	2%	12,783,899	2%
Virginia	324,516	2%	673,479,899	2%	17,505,830	2%
South Carolina	298,489	2%	657,881,226	2%	15,002,918	2%
Tennessee	329,601	2%	707,781,156	2%	19,927,659	3%
Other (3)	4,634,897	27%	9,271,936,520	27%	219,034,475	26%
<b>Total:</b>	<b>16,726,847</b>	<b>100%</b>	<b>\$35,332,844,704</b>	<b>100%</b>	<b>\$791,626,362</b>	<b>100%</b>

- (1) The "Life to Date Purchased Face Value of Defaulted Consumer Receivables" represents the original face amount purchased from sellers and has not been decremented by any adjustments including payments and buybacks.
- (2) The "Original Purchase Price of Defaulted Consumer Receivables" represents the cash paid to sellers to acquire portfolios of defaulted consumer receivables.
- (3) Each state included in "Other" represents less than 2% of the face value of total defaulted consumer receivables.

**AFFIDAVIT OF COUNSEL (TURNER)**  
**AUTHENTICATING FORM 10-K EXCERPTS**

Emily P. Turner, Esq., being duly sworn, deposes and says:

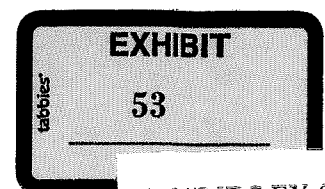
1. I am an attorney licensed to practice law in North Carolina. I give this affidavit in the belief that it presents matters that are undisputed, as it solely concerns authentication of Form 10-K Annual Report (Excerpts) for 2007-2015 that I personally obtained from the "EDGAR" (Electronic Data Gathering and Reporting) website maintained by the United States Securities and Exchange Commission [<https://www.sec.gov/edgar/searchedgar/companysearch.html>], as follows:

2. On November 7, 2016, I accessed the "EDGAR" search engine at the url referenced above. I chose to search by "Company Name" and then entered the search term "PRA Group Inc." I then filtered the results of that search categorically by entering "10-K" into the field for "Filing Type".

3. I then selected the Form 10-K filings for each year from 2007-2015, and for each year I opened the link to that particular filing. I downloaded the 10-K filing in its entirety for each separate year from 2007-2015 into a .pdf file.

4. From each .pdf file for years 2007-2015 described at paragraph 3 above, I excerpted certain pages as follows:

- a. 2015 10-K Report: pages 1, 9, 84
- b. 2014 10-K Report: pages 1, 93
- c. 2013 10-K Report: pages 1, 17
- d. 2012 10-K Report: pages 1, 16
- e. 2011 10-K Report: pages 1, 11
- f. 2010 10-K Report: pages 2, 11
- g. 2009 10-K Report: pages 2, 10
- h. 2008 10-K Report: pages 1, 9
- i. 2007 10-K Report: pages 2, 10

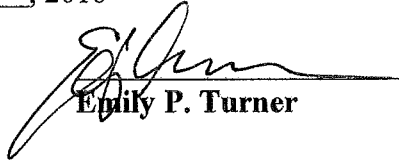


POUNDS EX 0747

5. The Form 10-K Excerpts referenced above at paragraphs 3 through 4, altogether appear as a composite Exhibit 52 to the Exhibits in Support of Plaintiffs' Motion for Preliminary Injunction and Class Certification, and form a true, accurate, and complete copy of the excerpts obtained as of the date set out above.

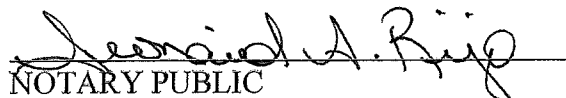
FURTHER AFFIANT SAYETH NAUGHT.

This the 7<sup>th</sup> of November, 2016

  
Emily P. Turner

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

Subscribed and sworn to (or affirmed) before me,  
this the 7 day of November, 2016.

 (SEAL)  
NOTARY PUBLIC

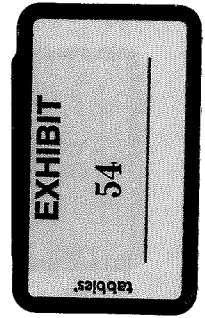
My Commission Expires: 7.17.21



# PRA Acquisition of North Carolina Accounts, 2008-2015

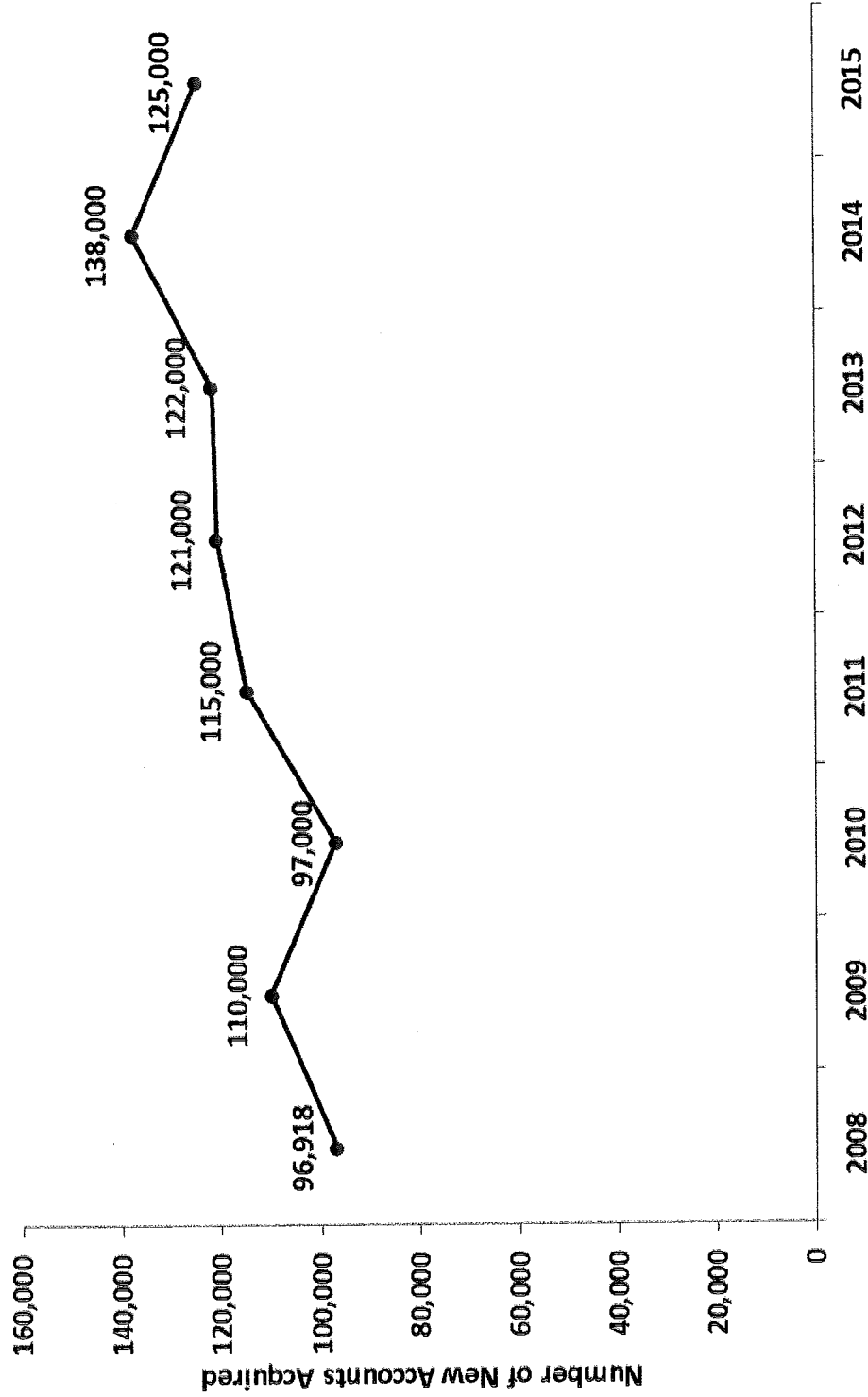
Year	Number of Accounts	Face Amount	Avg Face Amount
2008	96,918	\$185,440,370	\$1,913
2009	110,000	\$286,839,000	\$2,608
2010	97,000	\$258,444,000	\$2,664
2011	115,000	\$256,017,000	\$2,226
2012	121,000	\$265,488,000	\$2,194
2013	122,000	\$250,543,000	\$2,054
2014	138,000	\$205,641,000	\$1,490
2015	125,000	\$202,850,000	\$1,623

Source: PRA International 10-K filings with Securities and Exchange Commission



# PRA Acquisition of North Carolina Accounts, 2008-2015

## Number of Accounts Acquired By Year

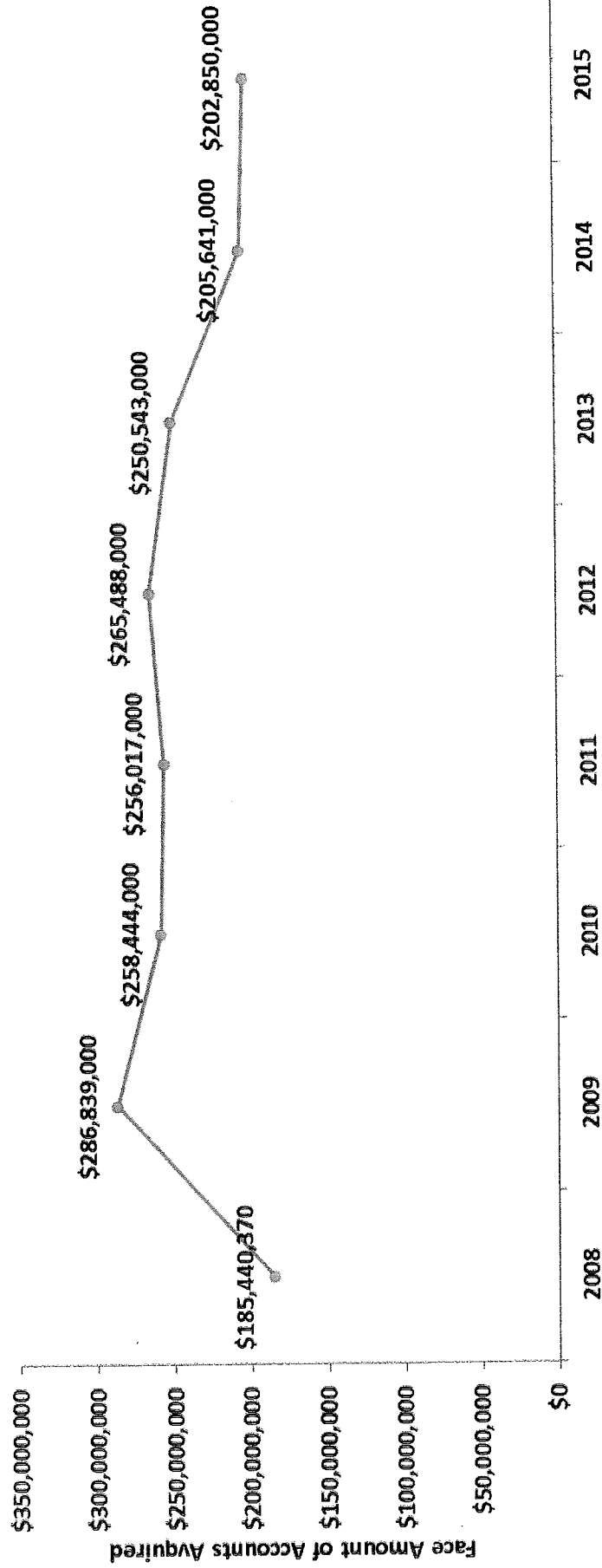


Source: PRA International 10-K filings with Securities and Exchange Commission



# PRA Acquisition of North Carolina Accounts, 2008-2015

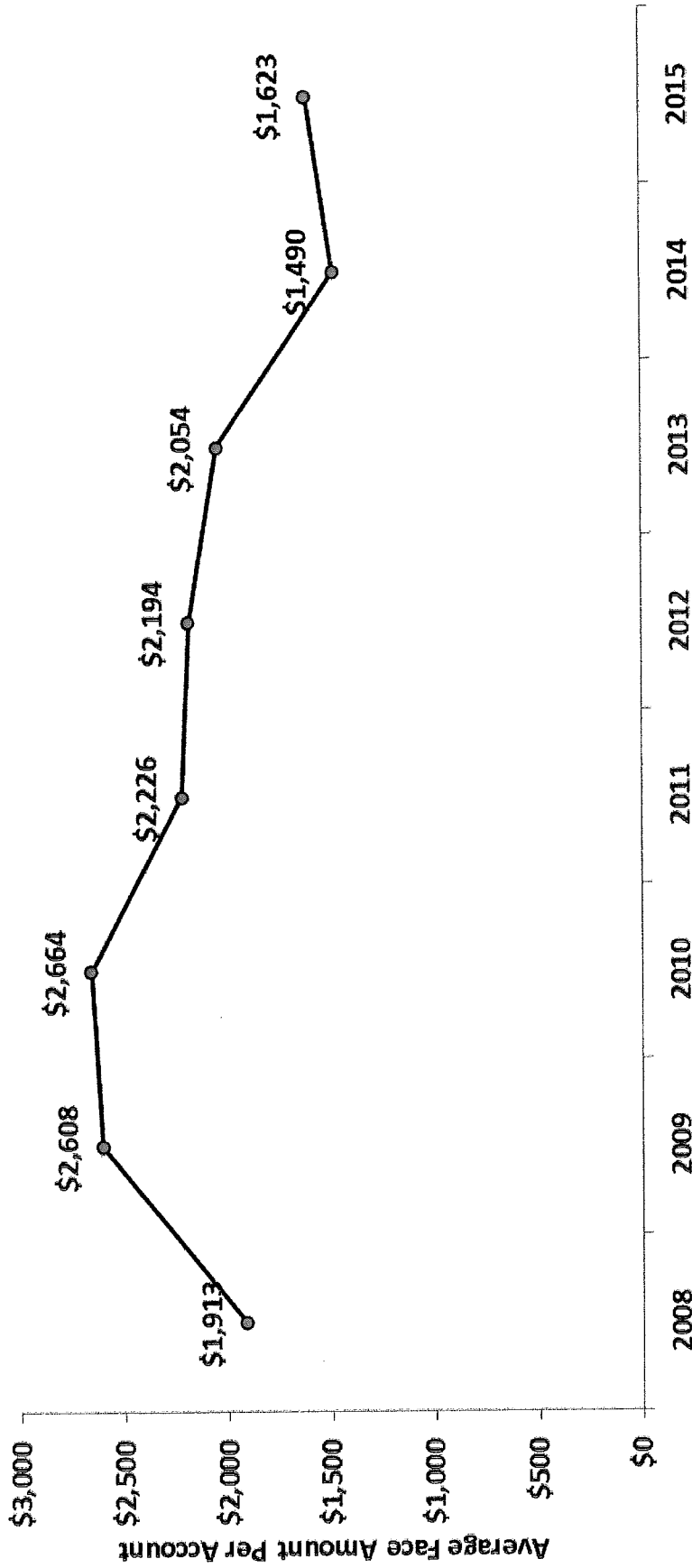
## Face Amount of Accounts Acquired By Year



Source: PRA International 10-K filings with Securities and Exchange Commission, not adjusted for inflation.

# PRA Acquisition of North Carolina Accounts, 2008-2015

## Average Face Amount Per Account



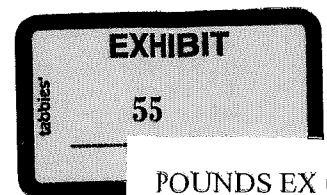
Source: PRA International 10-K filings with Securities and Exchange Commission, not adjusted for inflation.

NORTH CAROLINA  
WAKE COUNTY

**AFFIDAVIT OF ALLAN FREYER**  
**REGARDING SUMMARY OF PRA PURCHASES OF NC ACCOUNTS 2008-2015**

Allan M. Freyer, being first duly sworn, gives the following statement under oath:

1. I am an employee of the North Carolina Justice Center and am the director of the Center's Workers' Rights Project.
2. I give this affidavit for the purpose of describing the sources of the information set out in the table titled "PRA Acquisition of North Carolina Accounts, 2008-2015" and in three graphs accompanying that table.
3. The table "PRA Acquisition of North Carolina Accounts, 2008-2015" presents information obtained from Form 10-K and 10-K/A annual reports filed by PRA Group, Inc. as maintained by the United States Securities and Exchange Commission on "EDGAR" website (<https://www.sec.gov/edgar/searchedgar/legacy/companysearch.html>). In preparing the table, I followed the following steps:
  - a. I opened every 10-K and 10-K/A for the years 2008-2015.
  - b. Within each 10-K, I located the table titled "Domestic Portfolio Purchases by Stratification, Life-to-Date."
  - c. From this table, I copied the entries for North Carolina under the headings (i) Number of Accounts, (ii) Face Value, and (iii) Original Purchase Price. I pasted these entries into an Excel spreadsheet.
4. I have reviewed the excerpts from the PRA Group, Inc. Form 10-K annual reports which have been included in Exhibit 52 of Plaintiffs' Exhibits in Support of Plaintiffs' Motions



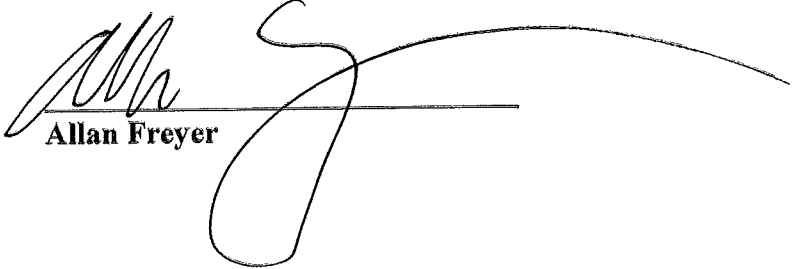
for Preliminary Injunction and Class Certification, and these contain the same information as I copied and included in the table "PRA Acquisition of North Carolina Accounts, 2008-2015."

5. From the data in the table, I prepared the three graphs titled "PRA Acquisition of North Carolina Accounts, 2008-2015, Number of Accounts Acquired by Year"; "PRA Acquisition of North Carolina Accounts, 2008-2015, Face Amount of Accounts Acquired by Year"; and "PRA Acquisition of North Carolina Accounts, 2008-2015, Average Face Amount Per Account."

6. The table accurately summarizes the foregoing information contained in the PRA Group, Inc. annual reports. The three graphs present this same information graphically.

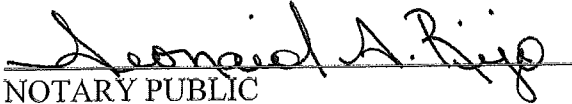
AFFIANT FURTHER SAYETH NOUGHT.

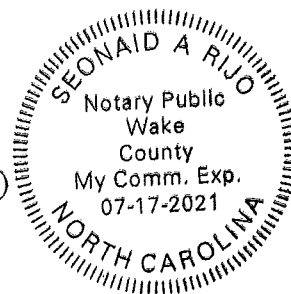
This the 1 day of November, 2016.

  
Allan Freyer

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

Subscribed and sworn to (or affirmed) before me,  
this the 7<sup>th</sup> day of November, 2016.

 (SEAL)  
NOTARY PUBLIC



My Commission Expires: 7-17-21

NORTH CAROLINA  
WAKE COUNTY

**AFFIDAVIT OF SEONAI A. RIJO  
REGARDING PRA CASE FILINGS IN FOUR COUNTIES 2009-2012**

I, Seonaid A. Rijo, being duly sworn, depose and say:

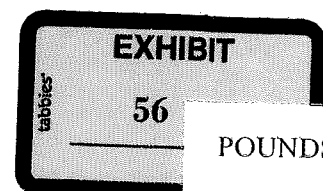
1. I am a senior litigation paralegal with the North Carolina Justice Center. I am over the age of 18, am under no disability, and am competent to testify as to those matters which are the subject of this affidavit.

2. This affidavit summarizes the methods by which I counted the number of cases filed by Portfolio Recovery Associates, LLC ("PRA") in four different counties in North Carolina (Buncombe, Durham, New Hanover and Wake), during the period January 1, 2009 through and including December 31, 2012.

3. I counted the number of cases filed by PRA using the computer screens of the North Carolina Administrative Office of the Court's "VCAP" civil case processing system for the North Carolina courts (hereinafter, "VCAP").

4. VCAP data can be reviewed at terminals in clerks of courts' offices. VCAP data is not available "on line" through the Internet.

5. The VCAP data for all 100 North Carolina counties is available at the VCAP terminals in the Wake County Clerk of Court's office. All of the research summarized below was the result of computer screen review performed by me in the Wake County Clerk of Court's office, in Room 118, Wake County Courthouse, during the dates of August 24-25, 2016 and September 12-13, 2016.



6. I was asked to count the number of PRA cases filed in Buncombe, Durham, New Hanover and Wake Counties for each of the years 2009 through 2012; to count the number of cases filed in these counties each month during 2009; and to count the number of cases filed in these counties each week during September 2009.

7. I started by running a VCAP partial name search for "Portfolio Recovery." I then placed a "c" query command next to the name "Portfolio Recovery" to pull up all "civil actions." I next selected a beginning time period for each year starting with the first day of the first month of each year in the time period (i.e., 01/01/09; 01/01/10; 01/01/11 and 01/01/12). This search yielded results pages containing a list of cases. I reviewed these results pages; each screen contained ten new cases. I moved forward and backward through these results screens by pressing F8 to go forward or F7 to go backward.

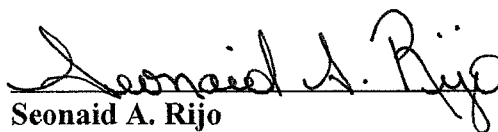
8. I counted the number of cases filed in each month of each year in the time period by counting the cases listed in each screen. I then counted the number of filings per each week in the month of September 2009 only.

9. Exhibit 1 attached hereto sets out the number of cases filed by PRA during January 1, 2009 through and including December 31, 2012 in Buncombe, Durham, New Hanover and Wake.

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FURTHER AFFIANT SAYETH NAUGHT.

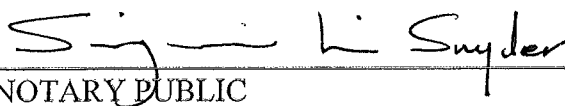
This the 7<sup>th</sup> day of November, 2016.

  
Seonaid A. Rijo

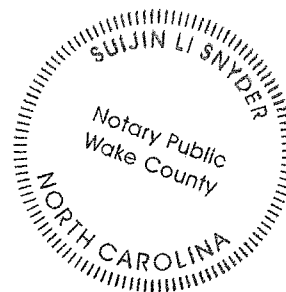
STATE OF NORTH CAROLINA

COUNTY OF WAKE

Subscribed and sworn to (or affirmed) before me,  
this the 7 day of November, 2016.

 (SEAL)  
NOTARY PUBLIC

My Commission Expires: 9.11.17.



## **BUNCOMBE COUNTY**

### **PRA Case Filings for Collections on Account from 01/01/2009 through 12/31/2012**

#### **Breakdown of filings by year**

- 2009 = 220
- 2010 = 8
- 2011 = 8
- 2012 = 210

#### **2009 Total Annual Filings = 220**

#### **2009 Breakdown by Month (Jan. – Dec. '09)**

- January = 4
- February = 3
- March = 0
- April = 1
- May = 2
- June = 2
- July = 5
- August = 20
- September = 183
- October = 0
- November = 0
- December = 0

#### **September 2009 Total Monthly Filings 183**

#### **Breakdown by week in September '09**

Week Ending 09/06/2009 = 32  
Week Ending 09/13/2009 = 3  
Week Ending 09/20/2009 = 48  
Week Ending 09/27/2009 = 96  
Week Ending = 10/03/2009 = 4

**EXHIBIT  
1 (to Ex 56)**



## **DURHAM COUNTY**

### **PRA Case Filings for Collections on Account from 01/01/2009 through 12/31/2012**

#### **Breakdown of filings by year**

- 2009 = 228
- 2010 = 5
- 2011 = 10
- 2012 = 164

#### **2009 Total Annual Filings = 228**

#### **2009 Breakdown by Month (Jan. – Dec. '09)**

- January = 14
- February = 2
- March = 2
- April = 4
- May = 1
- June = 3
- July = 11
- August = 27
- September = 164
- October = 0
- November = 0
- December = 0

#### **September 2009 Total Monthly Filings = 164**

#### **Breakdown by week in September '09**

Week Ending 09/06/2009 = 20  
Week Ending 09/13/2009 = 3  
Week Ending 09/20/2009 = 41  
Week Ending 09/27/2009 = 92  
Week Ending = 10/03/2009 = 8

## NEW HANOVER COUNTY

### PRA Case Filings for Collections on Account from 01/01/2009 through 12/31/2012

#### Breakdown of filings by year

- 2009 = 190
- 2010 = 11
- 2011 = 9
- 2012 = 206

#### 2009 Total Annual Filings = 190

#### 2009 Breakdown by Month (Jan. – Dec. '09)

- January = 5
- February = 0
- March = 0
- April = 1
- May = 0
- June = 2
- July = 10
- August = 19
- September = 152
- October = 1
- November = 0
- December = 0

#### September 2009 Total Monthly Filings = 152

#### Breakdown by week in September '09

Week Ending 09/06/2009 = 26  
Week Ending 09/13/2009 = 0  
Week Ending 09/20/2009 = 44  
Week Ending 09/27/2009 = 76  
Week Ending 10/03/2009 = 6

## WAKE COUNTY

### **PRA Case Filings for Collections on Account from 01/01/2009 through 12/31/2012**

#### Breakdown of filings by year

- 2009 = 664
- 2010 = 29
- 2011 = 34
- 2012 = 594

#### **2009 Total Annual Filings = 664**

#### 2009 Breakdown by Month (Jan. – Dec. '09)

- January = 11
- February = 9
- March = 1
- April = 7
- May = 8
- June = 12
- July = 19
- August = 68
- September = 530
- October = 1
- November = 0
- December = 0

#### **September 2009 Total Monthly Filings = 530**

#### Breakdown by week in September '09

Week Ending 09/06/2009 = 78  
Week Ending 09/13/2009 = 1  
Week Ending 09/20/2009 = 176  
Week Ending 09/27/2009 = 93  
Week Ending = 10/03/2009 = 182